

January 14, 2005

**MEMORANDUM**

TO: Finance, Administrative, and Human Resources Officers  
All State Agencies

FROM: Ruth Mealy, Director  
Payroll and Tax Reporting Division  
Office of Financial Management

SUBJECT: 2004 W-2 Wage and Tax Statements

---

**General Information**

The 2004 W-2 statements are scheduled to be distributed during the week of January 24, 2005. W-2s will be mailed directly to the employee's home address as recorded in HRMN.

**Changes on the 2004 W-2 Statement**

We have revised the format of the W-2 for 2004. The new format is intended to be easier to read. It also reduces costs by allowing us to use standard envelopes and eliminating the additional cost of printing on the back of the W-2. A sample W-2 statement is attached.

**W-2 Reporting of Premium Mileage**

Premium mileage was reimbursed at 37.5 cents per mile during 2004. Under Internal Revenue Services rules, the premium mileage reported on the W-2 in boxes 1, 16, and 18 (if applicable) is the amount exceeding the standard federal rate.

Because the standard federal rate equaled or exceeded the premium mileage rate for the entire calendar year, only those employees approved for a rate above the state premium rate will have an amount reported on the 2004 W-2 statements.

**Questions or Errors**

If employees have questions regarding their W-2 statement, they should be referred to the MI HR Service Center at 877-766-6447 or [www.michigan.gov/selfserv](http://www.michigan.gov/selfserv).

Department of State, Department of Attorney General, Legislative branch, and Judicial branch employees should contact their Human Resources office.

In no case should employees be referred directly to the Office of Financial Management.

If an HR office determines that a W-2 is in error, they must submit a memo to the Office of Financial Management, Payroll and Tax Reporting Division stating the following:

- Employee's Name
- Employee's Social Security Number
- Nature and amount of the error
- Corrected amounts to be shown on the W-2

We will mail the corrected W-2 statement directly to the employee's home address within thirty days of receipt of the memo.

Employees should be instructed to retain the original W-2 so it may be filed with the corrected statement.

### **Duplicate W-2 Statements**

Employees can request duplicate W-2s for calendar years 1999 through 2004 by calling (517) 373-2508 and leaving a voice message that includes the following information: name; social security number; year(s) requested; the address where the W-2 statement(s) should be mailed; and a daytime phone number where the employee can be reached.

Written requests should include the same information noted above and be addressed to the Department of Management and Budget, Office of Financial Management, Payroll and Tax Reporting Division, P.O. Box 30026, Lansing, Michigan 48909. After the Payroll and Tax Reporting Division receives an employee request for a duplicate W-2, issuance time is estimated at two weeks.

### **Employees on LTD**

Employees that received Long-Term Disability payments from either Aetna Insurance Company or CORE, Inc. during 2004 will receive a W-2 Statement from Aetna or CORE.

2004 W-2 Wage and Tax Statements  
Page 3  
January 14, 2005

Questions regarding these W-2s should be referred to either Aetna or CORE.

**1997 and 2002 Early Out Sick Leave**

Early out retirees that received sick leave payoffs during calendar year 2004, will receive a W-2 Statement reflecting the taxable wage and withholding information for 2004.

Please refer any questions regarding this memo to the Office of Financial Management, Payroll and Tax Reporting Division, Ed Dettling at (517) 335-7269.

Attachment

cc: N. Duncan  
M. Moody  
D. Ringler  
E. Dettling  
P. Woodford  
A. Rice  
M. Fedorchuk, Civil Service  
P. Moczul, Civil Service  
S. Olivier, Civil Service  
T. Hall, Office of the State Employer

**QUESTIONS OR ERRORS**

If you have questions or believe your W-2 is incorrect, contact the MI HR Service Center at (877) 766-6447, or visit the website at [www.michigan.gov/selfserv](http://www.michigan.gov/selfserv). Department of State, Department of Legislative Branch, Attorney General, and Judicial Branch employees should contact their agency Human Resources Offices for assistance.

This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it. If you had income tax withheld for more than one state or city, supplemental W-2's are under separate cover.

JANE R DOE  
123 SAMPLE STREET  
LANSING MI 48901

**NOTICE TO EMPLOYEE**

**Refund** - Even if you do not have to file a tax return, you should file to get a refund if box 2, 17, or 19 shows income tax withheld, or if you can take the earned income credit.

**Earned income credit (EIC)** - You must file a tax return if any amount is shown in box 9. You may be able to take the EIC for 2004 if (a) you do not have a qualifying child and you earned less than \$11,490 (\$12,490 if married filing jointly), (b) you have one qualifying child and you earned less than \$30,388 (\$31,338 if married filing jointly), or (c) you have more than one qualifying child and you earned less than \$34,458, (\$35,458 if married filing jointly). You and any qualifying children must have valid social security numbers (SSNs). You cannot claim the EIC if your investment income is more than \$2,650. Any EIC that is more than your tax liability is refunded to you, but only if you file a tax return. If you have at least one qualifying child, you may get as much as \$1,563 of the EIC in advance by completing Form W-5, Earned Income Credit Advance Payment Certificate, and giving it to your employer.

**Credit for Excess Taxes** - If you had more than one employer in 2004 and more than \$3,449.80 in social security and/or Tier 1 railroad retirement (RRTA) taxes withheld, you may claim a credit for the excess against your Federal income tax. If you had more than one railroad employer and more than \$3,189.90 in Tier 2 RRTA tax was withheld, you also may be able to claim a credit. See your Form 1040 or 1040A instructions and Pub. 505, Tax Withholding and Estimated Tax.

**Box 12** - If there is an amount in box 12 there is also a code (letter) next to it. You can find out what the code means from the following list. You may need this information to complete your tax return. The codes are as follows: C - taxable cost of group-term life insurance over \$50,000; D - Section 401(k) contributions; G - Section 457 contributions; M - Uncollected employee share of social security tax on group-term life insurance over \$50,000; N - Uncollected employee share of Medicare tax on group-term life insurance over \$50,000; P - Nontaxable portion of employee moving expense reimbursements paid directly to the employee.

**Box 14** - If there is an amount in box 14 there is also a description. LSVAl represents the lease value of personal use of a State vehicle included in box 1 for amounts calculated using the lease value method. MLPAY represents amount of active duty military pay included in box 1 not subject to social security and Medicare.

1 Wages, tips, other comp	2 Federal income tax withheld
10000.99	500.99
3 Social security wages	4 Social security tax withheld
10000.99	620.99
5 Medicare wages and tips	6 Medicare tax withheld
10000.99	145.99
b Employer's identification number 38-6000134	
c Employer's name, address, and ZIP code STATE OF MICHIGAN DEPT. OF MANAGEMENT & BUDGET OFFICE OF FINANCIAL MANAGEMENT LANSING MI 48909	
d Employee's social security number 999-99-9999	
9 Advance EIC payment	10 Dependent care benefits
13 Statutory Retirement Third-party employee plan sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	12a See instructions for box 12 C 200.99 12b 300.99
14 Other LSVAl 125.99 MLPAY 700.99	12c 12d
ef Employee's name, address, and ZIP code JANE R DOE 123 SAMPLE STREET LANSING MI 48901	
15 State Employer's state ID no. MI 38-6000134	16 State wages, tips, etc. 10000.99
17 State income tax 390.99	18 Local wages, tips, etc. 10000.99
19 Local income tax 100.99	20 Locality name LANS

**W-2** Copy C  
EMPLOYEE COPY 2004

1 Wages, tips, other comp	2 Federal income tax withheld
10000.99	500.99
3 Social security wages	4 Social security tax withheld
10000.99	620.99
5 Medicare wages and tips	6 Medicare tax withheld
10000.99	145.99
b Employer's identification number 38-6000134	
c Employer's name, address, and ZIP code STATE OF MICHIGAN DEPT. OF MANAGEMENT & BUDGET OFFICE OF FINANCIAL MANAGEMENT LANSING MI 48909	
d Employee's social security number 999-99-9999	
9 Advance EIC payment	10 Dependent care benefits
13 Statutory Retirement Third-party employee plan sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	12a See instructions for box 12 C 200.99 12b 300.99
14 Other LSVAl 125.99 MLPAY 700.99	12c 12d
ef Employee's name, address, and ZIP code JANE R DOE 123 SAMPLE STREET LANSING MI 48901	
15 State Employer's state ID no. MI 38-6000134	16 State wages, tips, etc. 10000.99
17 State income tax 390.99	18 Local wages, tips, etc. 10000.99
19 Local income tax 100.99	20 Locality name LANS

**W-2** Copy B  
FEDERAL COPY 2004

1 Wages, tips, other comp	2 Federal income tax withheld
10000.99	500.99
3 Social security wages	4 Social security tax withheld
10000.99	620.99
5 Medicare wages and tips	6 Medicare tax withheld
10000.99	145.99
b Employer's identification number 38-6000134	
c Employer's name, address, and ZIP code STATE OF MICHIGAN DEPT. OF MANAGEMENT & BUDGET OFFICE OF FINANCIAL MANAGEMENT LANSING MI 48909	
d Employee's social security number 999-99-9999	
9 Advance EIC payment	10 Dependent care benefits
13 Statutory Retirement Third-party employee plan sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	12a See instructions for box 12 C 200.99 12b 300.99
14 Other LSVAl 125.99 MLPAY 700.99	12c 12d
ef Employee's name, address, and ZIP code JANE R DOE 123 SAMPLE STREET LANSING MI 48901	
15 State Employer's state ID no. MI 38-6000134	16 State wages, tips, etc. 10000.99
17 State income tax 390.99	18 Local wages, tips, etc. 10000.99
19 Local income tax 100.99	20 Locality name LANS

**W-2** Copy 2  
TO BE FILED WITH  
EMPLOYEE'S STATE  
INCOME TAX RETURN 2004

1 Wages, tips, other comp	2 Federal income tax withheld
10000.99	500.99
3 Social security wages	4 Social security tax withheld
10000.99	620.99
5 Medicare wages and tips	6 Medicare tax withheld
10000.99	145.99
b Employer's identification number 38-6000134	
c Employer's name, address, and ZIP code STATE OF MICHIGAN DEPT. OF MANAGEMENT & BUDGET OFFICE OF FINANCIAL MANAGEMENT LANSING MI 48909	
d Employee's social security number 999-99-9999	
9 Advance EIC payment	10 Dependent care benefits
13 Statutory Retirement Third-party employee plan sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	12a See instructions for box 12 C 200.99 12b 300.99
14 Other LSVAl 125.99 MLPAY 700.99	12c 12d
ef Employee's name, address, and ZIP code JANE R DOE 123 SAMPLE STREET LANSING MI 48901	
15 State Employer's state ID no. MI 38-6000134	16 State wages, tips, etc. 10000.99
17 State income tax 390.99	18 Local wages, tips, etc. 10000.99
19 Local income tax 100.99	20 Locality name LANS

**W-2** Copy 2  
TO BE FILED WITH  
EMPLOYEE'S CITY OR  
LOCAL INCOME TAX RETURN 2004